

HOUSE BILL 1994

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 55;
Title 67 and Chapter 1134 of the Public Acts of
2010, relative to taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Public Chapter 1134 of the Public Acts of 2010 is amended by deleting the language "67-4-2006(b)" from the amendatory language of Section 9 and by substituting instead the language "67-4-2006(b)(1)".

SECTION 2. Tennessee Code Annotated, Section 67-4-2012, is amended by adding the following as a new, appropriately designated subsection:

() Notwithstanding any provision of this section to the contrary, any gain on the sale of an asset that is designated as goodwill and is required to be included as Class VII assets pursuant to the reporting requirements of 26 U.S.C. §§338(b)(5) and 1060, and associated regulations, shall be excluded from both the numerator and the denominator of the apportionment formula receipts factor.

SECTION 3. Tennessee Code Annotated, Section 67-4-2111, is amended by adding the following as a new, appropriately designated subsection:

() Notwithstanding any provision of this section to the contrary, any gain on the sale of an asset that is designated as goodwill and is required to be included as Class VII assets pursuant to the reporting requirements of 26 U.S.C. §§338(b)(5) and 1060, and associated regulations, shall be excluded from both the numerator and the denominator of the apportionment formula receipts factor.

SECTION 4. Tennessee Code Annotated, Section 67-4-2111(b)(3)(C), is amended by deleting the language “67-4-2013(a)(1)-(6)” and by substituting instead the language “67-4-2013(a)(1)-(7)”.

SECTION 5. Tennessee Code Annotated, Section 67-6-702(b), is amended by deleting the language “with respect to industrial and farm machinery as defined in § 67-6-102, and”.

SECTION 6. Tennessee Code Annotated, Section 67-6-507(a), is amended by deleting the first sentence in its entirety and by substituting instead the following:

The provisions of this chapter do not apply with respect to the use, consumption, distribution or storage of tangible personal property, computer software, or computer software maintenance contracts for use or consumption in this state, upon which a like tax equal to or greater than the amount imposed by this chapter has been paid in another state, the proof of payment of such tax to be according to rules and regulations made by the commissioner.

SECTION 7. Tennessee Code Annotated, Section 67-1-703(b), is amended by deleting the language “chapter 6 of this title” and by substituting instead the language “chapter 6 of this title or part 7 of chapter 4 of this title”.

SECTION 8. Tennessee Code Annotated, Section 67-4-715, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d)

(1) Any taxpayer that is required to file its sales and use tax returns electronically under § 67-6-504 is likewise required to file the returns required by this section electronically, and remit the tax electronically, using a method approved by the commissioner.

(2) In addition, when a taxpayer is required to remit payments electronically as set forth in § 67-1-703(b) because the taxpayer’s liability under

this part is one thousand dollars (\$1,000) or more, then all returns required by this chapter that are associated with such payments shall be filed electronically using a method approved by the commissioner. When any taxpayer is required to file returns and remit payments electronically for any one (1) outlet, location or other place of business, the commissioner may require the taxpayer to file returns and remit payments electronically for each place of business of the taxpayer. The requirement to file electronically shall continue thereafter until such time as the commissioner advises the taxpayer to file by another method.

(3) In addition to any other penalty provided by law, the commissioner shall assess any taxpayer required to file returns by electronic means a penalty of five hundred dollars (\$500) for each instance of filing a return by any other means. Such penalty shall be subject to waiver under the provisions of § 67-1-803. In extenuating circumstances, the commissioner has discretionary authority to waive electronic payment and filing requirements with respect to any returns filed pursuant to this chapter.

SECTION 9. Tennessee Code Annotated, Section 67-1-803(b), is amended by deleting the last sentence in its entirety.

SECTION 10. This act shall take effect upon becoming a law, the public welfare requiring it.